

**2006 Test Package
for e-file of
California Business
Tax Returns**

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**State of California
Franchise Tax Board**
www.ftb.ca.gov

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Section 1 – Introduction

1.1 Welcome

Thank you for participating in California's Business e-file program.

This publication provides the information you need to successfully complete Participant Acceptance Testing (PATs), including test cases, test procedures, and instructions for preparing test material for e-filing business tax returns.

We will begin accepting test transmissions for the upcoming filing season upon the release of this publication.

1.2 Where Can I Get More Information?

For assistance in formatting and transmitting your Business e-file returns or if you have questions regarding the test cases, please contact your personal Account Manager:

If you need more information about your Account Manager, please contact:

e-Programs Customer Service Unit

Monday through Friday, between the hours of 8 a.m. and 5 p.m., PST

Phone: (916) 845-0353

Fax: (916) 845-0287

Email: e-file@ftb.ca.gov

Website: www.ftb.ca.gov/professionals/efile

If you have comments or suggestions regarding the California Business e-file Program or this publication, send them to:

e-file Coordinator, MS F-284

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PO Box 1468

Sacramento CA 95812-1468

Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 General Information

The FTB follows the e-file Program requirements found in FTB Pubs 1345, 1345B, IRS Pubs. 1345, 4162, 4163, and 4164 to the extent that they apply to FTB's e-file Program.

Specific California e-file requirements can be found in FTB Publications 1345, 1345B, and 1346B.

You must comply with all the latest FTB publications, forms, and notices governing the California e-file Program.

Section 2 – PATS Procedures

2.1 Who Must Test?

To participate in California's Business e-file Program, the following participant types must meet all PATS requirements contained in this publication:

- Software Developers
- Transmitters
- Electronic Return Originators (EROs) who transmit directly with FTB

Note: Generally, if your software allows you to transmit returns directly to the FTB, the software company will provide you with the PATS returns to submit to the FTB.

2.2 Before you Test

Prior to testing, all software developers, transmitters, and ERO's transmitting directly with the FTB must:

- Obtain an Electronic Transmitter Identification Number (ETIN) through the IRS application process and be enrolled in our e-file Program.
- Must register for a User ID and Password to use our Secure Web Internet File Transfer (SWIFT) system.

Refer to Publication 3112, IRS e-file Application Package for IRS Form 8633 procedures and to FTB Pub 1346B, Section 5, for more information about SWIFT.

You must complete PATS before you can transmit any production returns. Once you successfully complete PATS, your Account Manager will notify you via email and in writing of your acceptance.

If you plan to support other than current year e-file returns and you have not previously passed PATS for these years, you must successfully complete a set of tests for previous year forms. Contact the e-Programs Service Unit for more information on previous year PATS.

2.3 Testing for Software Developers

The PATS process for Software Developers is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a User ID and password to access the SWIFT communication system.
- For each product that your software supports, e-mail the following information to your Account Manager prior to transmitting any test returns:
 - A list of return(s), form(s), and schedule(s) that your software supports.
 - A list of any e-file-specific features that are not supported.
- Prepare the test returns according to the following requirements:
 - Provide 5 examples of each return type that you will support (i.e.— Form 100, Form 565, Form 100S, Form 568, etc).
 - At least one of every form and schedule you support (according to the list of supported forms and schedules provided to your account manager) must be included among the total return cases you submit.

In addition, the following conditions must be met for each form type you support:

Form 100

- At least 1 return containing at least 2 occurrences of form 3805E.
- At least 1 return containing 2 occurrences of form 592-B.
- At least 1 return containing an Electronic Funds Withdrawal (EFW) for a balance due.
- At least 1 return containing an EFW for an estimated tax payment.
- At least 1 return containing an attached Federal return.

Form 100S

- At least 1 return containing at least 2 occurrences of Schedule K-1 (100S).
- At least 1 return containing an EFW for a return payment.
- At least 1 return containing an EFW for an estimated tax payment.
- At least 1 return containing an attached Federal return.

Form 565

- At least 1 return containing at least 2 occurrences of Schedule K-1 (565).
- At least 1 return containing an EFW for a return payment.
- At least 1 return containing 2 occurrences of form 592-B.
- At least 1 return containing an attached Federal return.

Form 568

- At least 1 return containing at least 2 occurrences of Schedule K-1 (568).
- At least 1 return containing an EFW for an annual tax payment.
- At least 1 return containing an attached Federal return.

After you have composed your test returns, submit them according to the following procedures:

- Transmit the returns using HTTPS or FTPS protocol according to our SWIFT procedures.
- Pick up all receipts and acknowledgment (ACK) files from your SWIFT mailbox before requesting PATS acceptance review.
- Notify your Account Manager for assistance in resolving rejected returns.
- Notify your Account Manager via email for PATS acceptance review once you have received accepted acknowledgements for all of the test case scenarios.
- Send the Transmission ID and serial number of the return file(s) you want reviewed for PATS Acceptance to your Account Manager.
- After the PATS Coordinator validates your test returns, your Account Manager will notify you of the results via email.
- We will notify you of any problems or irregularities that will require you to correct and re-submit any returns.
- If you have successfully completed PATS, you will be notified via email by your Account Manager and will be mailed an acceptance letter.
- You may transmit as many test cases as necessary until you receive no error messages or rejects prior to requesting PATS acceptance review.

2.4 Testing Communications Protocol

You can also use your FTB PATS test returns to test and debug any potential or existing problems with your SWIFT communications protocol. Contact your Account Manager if you encounter any problem you feel is related to our communication system.

All Business e-file returns must be transmitted and accepted using HTTPS or FTPS protocols.

2.5 Testing for Transmitters and Direct EROs

The PATS process for Transmitters and Direct EROs is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions, including registering for a User ID and password to access the SWIFT communication system.
- Prepare the test returns as instructed by your software company (test returns may be included with your software).
- Transmit the test returns following the instructions included with your software. As a transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day SWIFT transmissions.
- Notify the e-Programs Customer Service Unit that your test returns are ready for PATS acceptance review.
- After we validate your test returns, we will send an ACK file to your SWIFT mailbox that indicates whether each return was accepted or rejected. You must pick up your ACK files in order to complete PATS.
- If we reject your returns due to formatting (Schema) or transmission errors, contact your Software Developer. After you receive the corrected software, you must retransmit the rejected returns.
- Contact the e-Programs Customer Service Unit at (916) 845-0353 for approval once you have successfully completed your error-free communications test.
- We will notify you via phone or email of your acceptance and will mail an acceptance letter to you.

2.6 Why Test?

The purpose of PATS is to ensure, prior to “live” processing, that:

- Software Developers and Transmitters send returns in the correct format and meet our e-file schema specifications and have no Business Rule violations (rejects).
- Transmitters and Direct ERO's can communicate with our Secure Web Internet File Transfer System (SWIFT) to transmit returns as well as retrieve their receipts and acknowledgement files.
- Transmitters and Direct ERO's understand and are familiar with the mechanics of e-filing business returns to FTB.

A Few Reminders:

- Transmitters must verify they have been accepted into FTB's program before transmitting returns.
- Even if you are accepted for "live processing", you may not accept from your clients, or transmit to FTB any 2006 tax year production returns prior to January 2, 2007.
- Do not send "live" returns as test returns and vice versa. Be sure your Transmission Manifest is correctly set to "T" for Test or "P" for Production.
- Software Developers must inform their clients that they may use only the accepted version of software. Software Developers should not distribute their software until FTB notifies them of their acceptance.

Section 3 – Finalizing PATS

3.1 Review of Participants Return File

Once you have transmitted the required test cases, the PATS Test Coordinator will validate your final transmission. Your Account Manager will notify you if any problems or irregularities are found. Upon successful completion, your Account Manager will send you a PATS acceptance email followed by an acceptance letter by mail.

3.2 Using Your Own Test Cases

Since every conceivable condition cannot be represented in our test cases, you are welcome to test additional data of your own, *after* you have received PATS Acceptance. We welcome your suggestions for improving our test cases.

Note: Always be sure to indicate “T” in your Transmission Manifest to indicate you are submitting test returns, even if you are testing after you have passed PATS.

Section 4 – PATS Test Cases

4.1 PATS Test Cases

- There are no specific test cases for California Business e-file PATS. Follow the requirements in Section 2.3 for composing your test returns.
- Remember to provide examples of each of the forms and schedules you support among the completed returns you submit.
- Software Developers must successfully complete all test returns per the requirements in section 2.3 of this publication that apply to the business e-file features listed for each of your software products.
- Not all line amounts, forms, schedules etc. that may be required for schema or business rule validations are listed in the test case requirements found in section 2.3. Consult the latest schema and business rules for complete requirements.
- When specified you must attach a copy of the corresponding federal return. We will validate the federal return against the current IRS schema, but no business rule validation will be performed on the federal return.

We hope you find CA- Business e-file PATS to be a productive process and we thank you for your participation in the e-file program.